



Metaverse strategies: case studies and analysis



Martin Scott and Oliver Bruff

VISIT...

LANZAROTE
Caliente.COM

About this report

This report explores how operators can play a unique role in the metaverse and how they could complement the role of hyperscalers. It introduces a framework for categorising and assessing approaches to the metaverse, and establishes where telecoms operators have ‘natural’ advantages by examining the approaches taken by SK Telecom, Telefónica and Verizon. The report compares the approach of these operators with that taken by three other large organisations involved in developing the metaverse: Meta, Microsoft and Roblox. The report is based on a combination of stakeholder interviews and original desk research.

KEY QUESTIONS ANSWERED IN THIS REPORT

- What is the metaverse and how can companies operate or exist within the metaverse?
- What role are major telecoms operators intending to play in the metaverse?
- In which aspects of providing the metaverse services and platforms do telecoms operators have an advantage over other large players such as hyperscalers.

CASE STUDIES

OPERATORS

- SK Telecom
- Telefónica
- Verizon

OTHER PLAYERS

- Meta
- Microsoft
- Roblox

WHO SHOULD READ THIS REPORT

- Teams within telecoms operators who are responsible for a metaverse strategy or adjacent/enabling services and technology such as edge computing or consumer entertainment.
- Third-party companies, such as content providers or gaming platform providers, that are interested in partnering with telecoms operators on their metaverse strategies.
- Vendors that are looking to support their operator customers with their metaverse propositions.
- Industry observers who want to improve their understanding of metaverse strategies.

Introduction: this report compares the approaches that major telecoms operators and hyperscalers are taking to the metaverse

The metaverse is potentially worth trillions of US dollars and telecoms operators can play several roles.

This report compares the articulated metaverse strategies of three major telecoms operators and three other major non-telco players. The metaverse will depend on high-bandwidth, low-latency connectivity and edge computing resources, both of which are important elements of telecoms operators' operations.

Research and development investment in the metaverse is becoming significant and the potential value of metaverse-related business is high: industry forecasts for revenue generated by the metaverse in 2030 range from around USD1 trillion up to USD13 trillion.¹

Major hyperscaler players, in particular Meta, have articulated ambitious plans to redirect their business interests towards the metaverse. Roblox noted, during its investor day in 2021, that the metaverse would span the addressable market for mobile gaming, streaming video and social media – all areas in which telecoms operators have a commercial interest.

This report categorises approaches to the metaverse.

The metaverse does not yet have a definitive definition; various companies are interpreting the term differently to suit their own objectives and established strengths. Furthermore, there is not yet consensus as to whether the metaverse will take some time to arrive, is 'already here' or has been here for some time. We believe that the metaverse depends on an ecosystem of interconnected platforms and that while many current platforms contain several metaverse-ready aspects, the metaverse itself has not yet emerged.

In this report, we posit that the different aspects of the metaverse ecosystem can be grouped into 10 sub-categories and 3 super-categories, as introduced on the next page and detailed in this report's appendix. We rank companies' relative depth of involvement in each of these 10 sub-categories on a scale of 0 to 5, where 0 means that the company has no track record in the area and 5 means that they are a leader in a particular area. We then average scores in each of these sub-categories to award a super-category level index. In each case study we explain in more detail the activities that each company has undertaken in the five highest-scoring sub-categories. Not all companies are active in all 10 sub-categories of our metaverse framework.

¹ The USD13 trillion estimate was an upper-range estimate made by Citigroup Inc. analyst Andre Lin in June 2022 (see [As Meta Ditches FB Ticker, Investors Shun Metaverse \(yahoo.com\)](#)). Estimates around the USD1 trillion mark have been circulating in the media since 2021 as, for example, in [The Metaverse Is A \\$1 Trillion Revenue Opportunity. Here's How To Invest... \(forbes.com\)](#).

Contents

Executive summary

Analysis

Case studies

Appendix

About the authors and Analysys Mason

About the authors



Martin Scott (Principal Analyst) heads Analysys Mason's research initiatives related to media and TV. He manages the *Video, Gaming and Entertainment* research programme. Martin has held numerous positions within Analysys Mason during the last 17 years, including heading the company's Consumer Services, Data and Regional Markets practices. He also launched Analysys Mason's Connected Consumer Survey series of research. His primary areas of specialisation include telecoms TV strategy, OTT video and media, consumer behaviour, customer satisfaction and consumer-facing marketing strategy. He also specialises in statistics, surveys and the analysis of primary research.



Oliver Bruff (Research Analyst) is a member of Analysys Mason's *Consumer Services* research team in London. He holds a BSc with honours in economic history with economics from the London School of Economics and Political Science, where he also worked as a research assistant.

Global leaders in TMT management consulting



analysismason.com/what-we-do

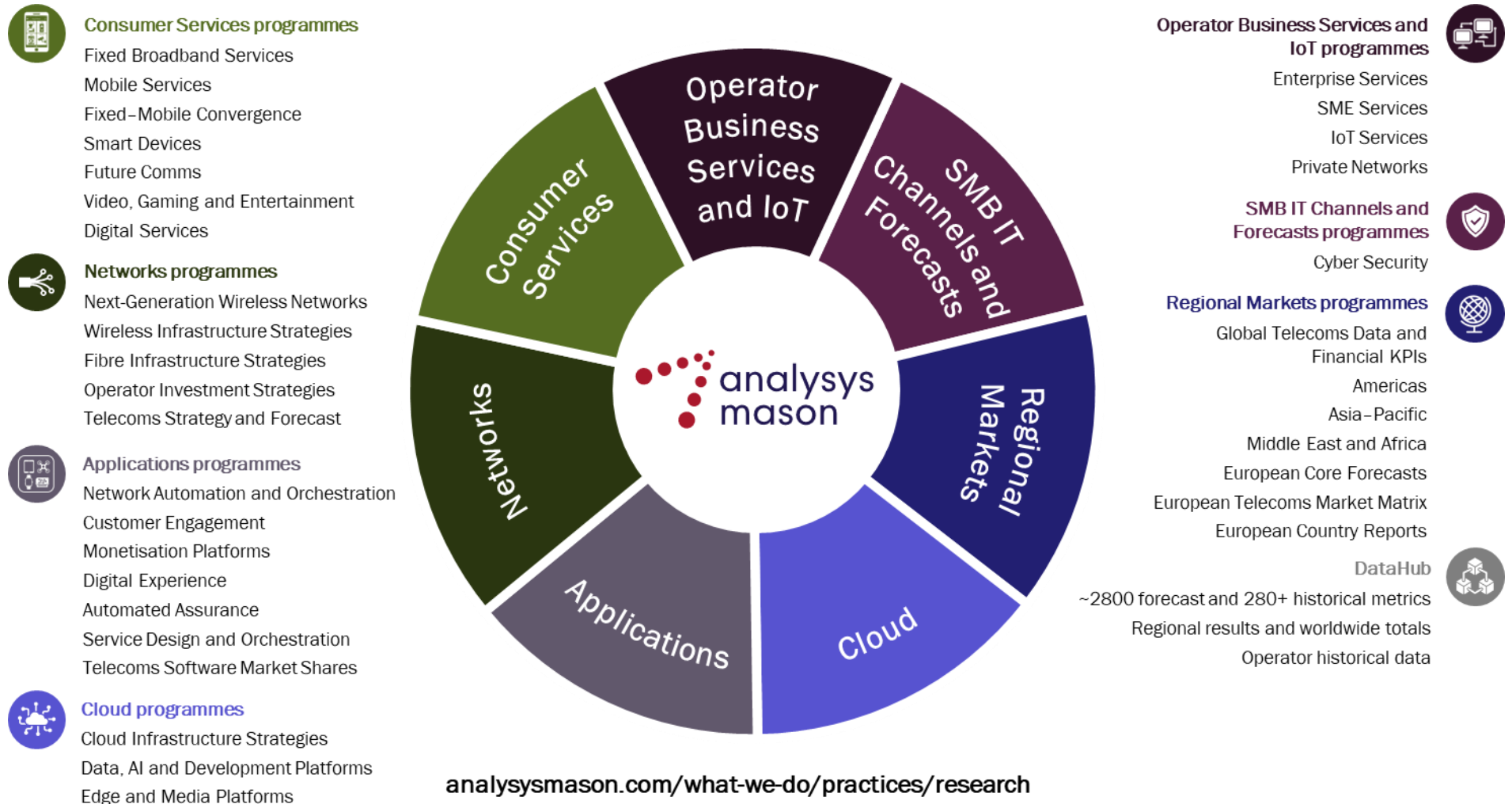
Analysys Mason is the world's leading management consultancy focused on TMT, a critical enabler of economic, environmental and social transformation.

We bring together unparalleled commercial and technical understanding to deliver bespoke consultancy on strategy, transaction support, transformation, regulation and policy, further strengthened by globally respected research.

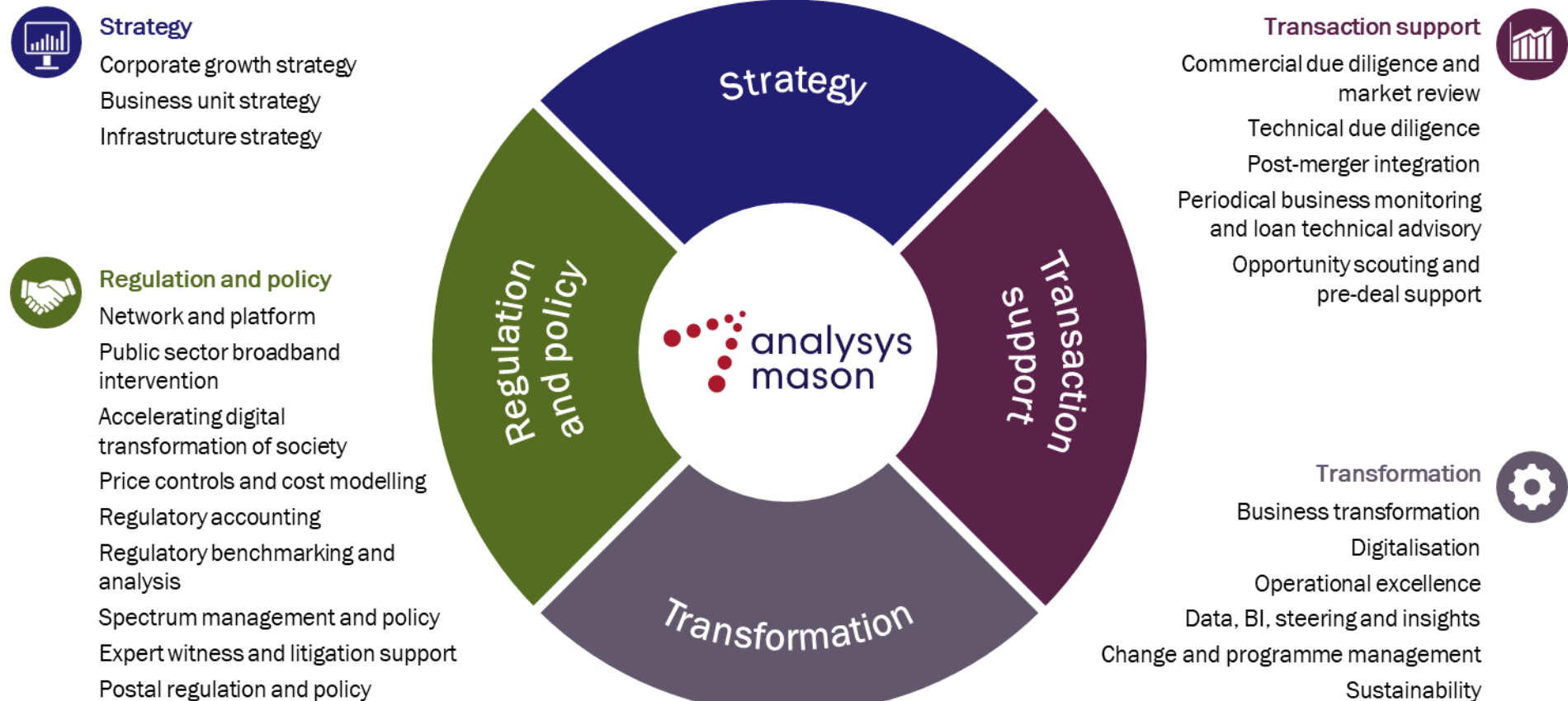
Our clients value our advice which combines deep domain knowledge with global reach and local insight into markets to help them achieve meaningful business results.

We are committed to our clients, employees and communities – contributing to a world where technology delivers for all.

Our research programmes



Our areas of expertise



analysismason.com/what-we-do/practices



PUBLISHED BY ANALYSYS MASON LIMITED IN JUNE 2022

Analysys Mason Limited. Registered in England and Wales with company number 05177472. Registered office: North West Wing Bush House, Aldwych, London, England, WC2B 4PJ.

We have used reasonable care and skill to prepare this publication and are not responsible for any errors or omissions, or for the results obtained from the use of this publication. The opinions expressed are those of the authors only. All information is provided “as is”, with no guarantee of completeness or accuracy, and without warranty of any kind, express or implied, including, but not limited to warranties of performance, merchantability and fitness for a particular purpose. In no event will we be liable to you or any third party for any decision made or action taken in reliance on the information, including but not limited to investment decisions, or for any loss (including consequential, special or similar losses), even if advised of the possibility of such losses.

We reserve the rights to all intellectual property in this publication. This publication, or any part of it, may not be reproduced, redistributed or republished without our prior written consent, nor may any reference be made to Analysys Mason in a regulatory statement or prospectus on the basis of this publication without our prior written consent.

© Analysys Mason Limited and/or its group companies 2022.